

**Income Maintenance Advisory Committee
Department of Health and Family Services and
Department of Workforce Development**

M I N U T E S

Thursday, June 20, 2002
State Capitol, Room 300NE
Madison, Wisconsin
1:00 p.m. – 3:30 p.m.

County Attendees: **Jackie Bennett**, Racine Co. WDC, **Lynn Brenner**, Calumet Co. DHS, **Joanne Faber**, Washington Co., DSS, **Liz Green**, Dane Co. DHS, **Jane Huebsch**, Marathon Co. DSS, **Ed Kamin**, Tri-Chair, Kenosha Co. DHS, **Sharon Oldenburg**, Rock Co. HSD, **Michael Poma**, Milwaukee Co., DHS, **John Rathman**, Outagamie Co., **Shirley Ross**, LaCrosse Co. HSD, **Sue Schmitz**, Waukesha Co., **Sheryl Siegl**, Winnebago Co. DHS,

State Attendees: **Cheryl McIlquham**, Tri-Chair, DHFS/DHCF/BHCE, **Rick Zynda**, Tri-Chair, DWD/DWS/ONSPI, **Charles Billings**, DWD/DWS/PAFS, **Amy Mendel-Clemens**, DWD/BPS/Call Center, **Jill Jokela**, DWD/ASD/BITS, **Bob Martin**, CARES, **Jodi Ross**, DWD/BWS, **Edie Sprehn**, DWD/DWS/BPS, **Tony Welch**, DWD/DWS/ONSPI/Fraud Unit, **Kathy Gugel**, DHFS/DHCF/BHCE.

GENERAL ADMINISTRATIVE ANNOUNCEMENTS

May 2002 minutes were approved with no changes.

(Note: Minutes are available on-line on the Internet Partner Page –
<http://www.dwd.state.wi.us/desw2/imac/minutes/2001/2001-minutes.htm>

Minutes for 2002 will be accessed on the Internet Partner Page –
<http://www.dwd.state.wi.us/desw2/imac/minutes/2002/2002 – minutes.htm>

ADMINISTRATIVE ITEMS

Susan Wood introduced Bob Martin who is the CARES Executive Manager. Bob is an employee of both DWD and DHFS.

Random Time Study:

Nothing new to report. Pilot is proceeding.

CARS System Discussion:

It was reported that DWD would like to replace the present CARS system, but DHFS is not interested in replacing it. Dane County continues with the CARS pilot. No further information available at this time.

Caseload Report:

Rick Zynda provided an update on the caseload. W-2, Child Care and MA continue to increase in caseload. The Food Stamp caseload went down slightly.

The question was asked if DWD will continue to do the caseload report once the transfer is complete? DHFS will look to do a similar report for Food Stamps and MA on a monthly basis, as is now done by DWD. Child Care and W-2 caseload reports will be done separately.

Farm Bill:

Rick Zynda gave an update on the progress of the Farm Bill. Susan Wood, Sarah Pynenberg and Rick attended a briefing in Washington, DC the week of June 14th. Some questions regarding the Farm Bill were answered at the briefing, while the USDA/Food and Nutrition staff are researching many others. It is understood from the briefing that the federal government will send a document outlining the options that will be available for states to determine what revisions to consider for implementation. State Food Stamp program staff will be seeking input from IMAC and other stakeholders as the analysis proceeds.

HIPAA:

Ed Kamin encouraged committee members to read the letter from Secretary Dube regarding the 2002 HIPAA plan. The privacy piece of the plan needs to be implemented by April 2003. The program part must be implemented by October 2003. There are large costs associated with the implementation of HIPAA.

STATUS OF IM CONTRACT

Susan Wood updated the committee on the progress of the IM Contracts. General language in contracts would remain the same for one year. A study would be done to make changes for future years.

Some general questions discussed on contracts are:

- What should happen to unspent contract funds by an agency?
- Should dollars lapse back to the general fund, or should they be redistributed to agencies in need of additional dollars?
- Should dollars remaining not lapse and be left in the individual county allocation for the next contract?

There are different options available and these are being discussed.

The contract needs to be completed by August.

FRAUD AND COLLECTIONS BRIEFING

Charles Billings provided an update on the fraud and error reduction funding incentive proposal.

The issue is that there are insufficient program revenues available to the Public Assistance Fraud Program to adequately fund the local agency administrative costs (local aids) which are needed to operate a local PA fraud Program Integrity program that includes the components of prevention, claims establishment, and IPV determination. This negatively impacts the IM program by reducing the local agencies' ability to prevent errors in caseload. It reduces the number of client error and IPV claims established and the resultant program revenue from the overpayment recoveries. It also reduces the number of IPV determinations with the resulting program sanctions and penalties. This reduces the integrity of the PA programs. Local agencies receive 15% of all IM overpayment recoveries as an incentive to increase their fraud and error reduction program activities.

The Program Revenue is used to fund all IM fraud and error reduction activities plus state collections activities from the state's share of the recovery of overpayments. Currently the overpayment recoveries are split three ways. They are split between the federal agencies, local agencies and the state. The

local agency share is 15% of the total overpayment. The federal share is approximately 65% and the state share is 20%.

Currently, the 15% given back to each county goes into either the county general fund or to the DSS/DHS agency budget. This revenue is most likely used as an offset to county funded expenditures, such as IM over match. However, there are 22 IM agencies statewide having no IM over match and for these agencies the incentive revenue is not being used for IM expenditures. Therefore, it is probably not eligible for the 50% federal match and is not used to reduce errors or to enhance program integrity. Due to the current and future-funding shortages, it is desirable to maximize the amount of revenue available from the overpayment collection process and apply the incentive revenue to expenditures that impact the error rate problem.

The state's proposal is to establish a statewide administrative process to meet the objective of reclaiming the local agency's share of overpayments as part of the state's PRO revenue for allocation of local aids incentive funding at a rate equal to twice the amount of the revenue the county would have received. If collections continue at the current rate, the amount to be reclaimed would be approximately \$700,000 per year or \$1.4 mn with federal match, for distribution as new incentive funding.

Food Stamp Program

Transfer of Food Stamps:

Susan Wood provided an update on the Food Stamp transfer. Susan announced that she has accepted the job as Bureau Director for the Bureau of Income Maintenance Administration effective July 1, 2002.

Susan explained that Food Stamp funds and FTEs will officially transfer from DWD to DHFS effective July 1. She said the new Bureau will have 57.35 positions.

Susan provided committee members with a "draft" copy of the letter that they will receive regarding IM Contracts and the transfer of Food Stamps once it has been approved by the Legislature.

If anyone had additional comments or suggested changes to the letter they should contact Susan directly.

SENIORCARE UPDATE

Cheryl McIlquham updated the committee on the SeniorCare program. SeniorCare will start accepting applications July 1, 2002. The SC hotline is now up and running. The number is 1-800-657-2038. Application forms and instructions will begin being sent out to the county aging offices the week of June 24th. It will then be the responsibility of those aging units to decide on a distribution plan of getting the forms and applications out to interested senior citizens.

AARP will soon begin to have open houses to help senior citizens that need assistance in filling out the application. Seniors do not have to go through AARP in order to apply.

Also scheduled to be available the week of June 24th is:

- The SC brochure.
- The SC website.
- The SC pre-application guide.

Cheryl explained that there will be an Operations Memo sent out to the counties explaining the SC program and addressing any coordination issue from both a programmatic and technical standpoint.

Committee Structure

Information was provided by Susan Wood and Ed Kamin on the structure of IMAC. It was suggested that a monthly report be given to IMAC on the subcommittees. The subcommittees will look at workplans and priorities for each of the committees.

CARES UPDATES

Jill Jokela provided a handout with updated information on CARES. May CARES highlights include:

Long Term Care Functional Screen:

- Developed new functionality to support a No Active Treatment (NAT) designation for the Family Care Program that is used for individuals no longer requiring treatment for their developmental disability.

Food Stamp Categorical Eligibility Process Enhancement:

- Enhanced the Food Stamp program's categorically eligibility criteria to include receipt of Child Care, Kinship Care, W-2 case management only services, and a W-2 payment the month after eligibility ends.
- Eliminates the need of manual intervention by the worker to designate the Food Stamp groups as categorically eligible for the above reasons.

Review Date Modifications:

- Sets appropriate next review date in situations in which a review is completed in the month following the end of the eligibility for a program.
- Removes the need for workers to do manual review date overrides in these situations.

**The next meeting will be:
July 18, 2002
State Capitol, Room 300NE
10:00 a.m. to 3:30 p.m.**

